



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 8

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DEC 09 2008

Ref: EPR-N

Ms. M. Elaine Raper  
Miles City Field Manager  
Bureau of Land Management, Miles City Field Office  
P.O. Box 219  
Miles City, Montana 59301

Re: Final Supplement to the Montana Statewide Oil and  
Gas Environmental Impact Statement and  
Amendment of the Powder River and Billings  
Resource Management Plans, CEQ # 20080443

Dear Ms. Raper,

The U.S. Environmental Protection Agency Region 8 (EPA) has reviewed the Bureau of Land Management's (BLM) Final Supplement to the Montana Statewide Oil and Gas Environmental Impact Statement and Amendment of the Powder River and Billings Resource Management Plans (RMP). While EPA participated as a cooperating agency in the development of the Final Supplemental Environmental Impact Statement (Final SEIS), EPA's review and comments are provided in accordance with our responsibilities under Section 102(2)(C) of the National Environmental Policy Act (NEPA), 42 U.S.C. Section 4332(2)(C) and Section 309 of the Clean Air Act, 42 U.S.C. Section 7609.

The Final SEIS marks the culmination of several years of collaboration and coordination between the BLM, the Montana Department of Environmental Quality, EPA, and other participating cooperating agencies. While the process has been lengthy and at times perhaps contentious, EPA believes it has resulted in a more comprehensive and more protective plan to monitor and mitigate impacts associated with coal bed natural gas (CBNG) development in the Montana Powder River Basin. The Final SEIS addresses many of the air quality and water quality issues previously raised by EPA.



## Air Quality

EPA commends BLM for the development of an Air Quality Screen designed to protect visibility impacts at the designated Class I Northern Cheyenne Indian Reservation. As the Air Quality Screen is implemented, EPA understands BLM will provide the results of future air quality modeling, monitoring data, and horsepower calculations on the BLM Miles City Field Office website. The summary of on-going monitoring related to CBNG is scheduled to be updated every six months. EPA believes stakeholder involvement is important for the success of the mitigation and monitoring plan and is pleased with this approach.

In our comments on the Supplemental Air Quality Analysis dated March 12, 2008, EPA also recommended BLM conduct near-field air quality modeling prior to approval of any project-specific development proposals to ensure compliance with the Montana Ambient Air Quality Standard (MAAQS) for NO<sub>2</sub>. In response, the Air Quality Screen in the Final SEIS clarifies that the Montana Department of Environmental Quality requires all major sources and all nitrogen oxide (NO<sub>x</sub>) emitting sources, in counties which make up the CBNG area, to perform near-field air quality modeling (Final SEIS, page 2-24). EPA appreciates this clarification in the Air Quality Screen.

## Climate Change

EPA is pleased to see that BLM has included a section on Climate Change in the Final SEIS. The Climate Change section in Chapter 3 identifies potential greenhouse gases (GHG), general concerns and trends. The Final SEIS also includes a summary of the Montana GHG emission inventory from a 2007 study prepared by the Center for Climate Strategies (Final EIS, page 3-8). In conclusion, BLM acknowledges the importance of climate change and the potential for activities considered in this Final SEIS to generate GHG emissions. The Final SEIS does not, however, quantify GHG emissions associated with the decisions in the Final SEIS. As this decision is implemented, EPA recommends BLM fully identify and quantify GHG emissions associated with the individual plans for development and put them in context with other emissions, such as those included in the Montana GHG emission inventory.

In addition, EPA recommends BLM identify and implement mitigation measures to reduce and capture GHG and reduce potential emissions. There are a number of voluntary, cost-effective technologies and practices to reduce and off-set greenhouse gas emissions. Through EPA's Natural Gas STAR ([www.epa.gov/gasstar](http://www.epa.gov/gasstar)), EPA works with companies that produce, process, transmit and distribute natural gas to identify and promote the implementation of cost-effective technologies and practices to reduce emissions of methane, a potent greenhouse gas.

## Water Quality

BLM has addressed many of the water quality issues raised by EPA in response to the original 2002 Draft EIS. In our comments on the Draft SEIS dated May 2, 2007, EPA's primary concern was to ensure the Preferred Alternative has the appropriate measures in place to address potential exceedances of water quality standards from CBNG discharge. EPA recommended the





Water Screen clearly state that any CBNG discharges with the potential to cause or contribute to water quality standard exceedances be allowed only in instances where imposition of water quality based effluent limitations are as stringent as necessary to meet applicable water quality standards. While this language was not added to the Water Screen, it was clarified in Chapter 1 of the Final SEIS. EPA recommends this language also be included in the Water Screen and the Record of Decision. Further, EPA notes the Water Screen clarifies that no future untreated discharge of CBNG water would be allowed from federal wells unless the regional surface water monitoring stations above and below the proposed discharge were active (Final SEIS, page 2-22). In a related issue, EPA notes the Final SEIS does not reflect EPA's approval of Montana's Non-degradation revisions related to electrical conductivity (EC) and sodium adsorption ratio (SAR) on February 29, 2008.

### Groundwater

In our May 2, 2007, comments on the Draft SEIS, EPA raised concerns that a buffer greater than five miles around Reservation boundaries may be appropriate. Given that the five foot drawdown contour may likely extend seven to 11 miles from pumped areas, and drawdown impacts could range as far as 22 miles from CBNG developments, EPA was concerned that aquifer drawdown impacts may go undetected, and therefore, un-mitigated. As the buffer remains at five miles in the Final SEIS, EPA recommends BLM continue to monitor the groundwater aquifer drawdowns as the CBNG development proceeds. As information is collected on groundwater impacts, EPA suggests BLM re-visit the five-mile buffer to ensure it is protective of Tribal Trust Assets.

EPA recognizes the challenge faced by BLM in balancing the conflicts between energy development, natural resources, and community concerns. The BLM has conducted extensive research and analysis in preparation of this Final SEIS is to be commended for their efforts. If you have any questions regarding our comments on the FEIS, please do not hesitate to call me at 303-312-6004 or Joyel Dhieux, EPA's NEPA Lead Reviewer for this project, at 303-312-6647.

Sincerely,



Larry Svoboda  
Director, NEPA Program  
Office of Ecosystems Protection and Remediation



